

## **FISCAL NOTE**

### **SB 2204 - HB 2325**

March 12, 2004

**SUMMARY OF BILL:** Redefines an eligible postsecondary institution that students receiving lottery scholarships may attend to include any private postsecondary institution that meets the following criteria:

- Chartered in Tennessee as a not-for-profit entity for at least 30 consecutive years.
- Has had its primary campus located in Tennessee for at least 30 years; and
- Is accredited by an accrediting agency that is recognized by the U.S. Department of Education and the Council on Higher Education Accreditation.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Increases expenditures of lottery funds for scholarships and grants by an amount estimated to exceed \$90,000 the first year and \$135,000 the second year.**

Estimate assumes:

- The bill would encompass Temple Baptist Seminary and O'More College of Design.
- According to THEC records, these two institutions have a total of 205 students from Tennessee.
- Incoming freshman classes with the required GPA or ACT score would represent 15% of that number (205), or approximately 30 students.
- There would be a like number of Tennessee students in the combined freshman classes of the two institutions.
- A 50% retention rate of each combined freshman class into the sophomore year.
- First year costs would include approximately 30 students x \$3,000 per student totaling \$90,000. Second year costs would include approximately 45 students x \$3,000 per student totaling \$135,000. This estimate does not include students who would be eligible for the additional \$1,000 need based scholarship.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director